**Service Tax**

1791. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to impose tax on certain services from 16th July, 2001 as reported in the Hindustan Times dated 10th July, 2001;

(b) if so, which are the services covered under the tax net till date and which are the services exempted therefrom; and

(c) what is the likely amount to be collected by way of service tax during the current financial year and in what manner it is likely to be spent / utilised by Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes Sir.

(b) Details are given in Statements (*See* below).

(c) The Budget Estimates from service tax for the current financial year is Rs. 3600 crore. All receipts are credited to the Consolidated Fund and expenditure therefrom is made on the basis of appropriations approved by the Parliament through the Appropriation Bill.

**Statement**

*List of services covered under the tax net till date*

| S.No. | Service | Date of Imposition | Whether exempted |
|---|---|---|---|
| 1. | Telephone Connection Services | 1.7.94 | No |
| 2. | General Insurance Services | 1.7.94 | No |
| 3. | Stock Broking Services | 1.7.94 | No |
| 4. | Advertising Services | 1.11.96 | No |
| 5. | Courier Services | 1.11.96 | No |
| 6. | Radio Paging Services | 1.11.96 | No |
| 7. | Custom House Agent Services | 15.6.97 | No |
| 8. | Steamer Agent Services | 15.6.97 | No |
| 9. | Air Travel Agent Services | 1.7.97 | No |
| 10. | Mandap Keeper Services | 1.7.97 | No |
| 11. | Clearing and Forwarding Agent Services | 16.7.97 | No |

| S.No. | Service | Date of Imposition | Whether exempted |
|---|---|---|---|
| 12. | Rent A Cab Scheme Operator Services | 16.7.97 | No |
| 13. | Outdoor Caterers Services | 1.8.97 | Yes, exempted from 2.6.98 |
| 14. | Pandal or Shamiana Contractor Services | 1.8.97 | Yes, exempted from 2.6.98 |
| 15. | Consulting Engineer Services | 7.7.97 | No |
| 16. | Man Power Recruitment Services | 7.7.97 | No |
| 17. | Tour Operator Services | 1.9.97 | No |
| 18. | Goods Transport Operator Services | 16.11.97 | Yes, exempted from 2.6.98 |
| 19. | Architect Services | 16.10.98 | No |
| 20. | Interior Decoration / Designer Services | 16.10.98 | No |
| 21. | Mechanised Slaughter Services | 16.10.98 | Yes, exempted from 1.3.2000 |
| 22. | Underwriter Services | 16.10.98 | No |
| 23. | Credit Rating Agency Services | 16.10.98 | No |
| 24. | Chartered Accountant Services | 16.10.98 | No |
| 25. | Cost Accountant Services | 16.10.98 | No |
| 26. | Company Secretary Services | 16.10.98 | No |
| 27. | Real Estate Agent / Consultant Services | 16.10.98 | No |
| 28. | Security / Detective Agency Services | 16.10.98 | No |
| 29. | Market Research Agency Services | 16.10.98 | No |
| 30. | Management Consultant Services | 16.10.98 | No |
| 31. | Scientific and Technical Consultancy Service | 16.7.2001 | No |
| 32. | Photography Service | 16.7.2001 | No |
| 33. | Convention Service | 16.7.2001 | No |
| 34. | Leased Circuits | 16.7.2001 | No |
| 35. | Telegraph Service | 16.7.2001 | No |
| 36. | Telex Service | 16.7.2001 | No |
| 37. | Facsimile Service | 16.7.2001 | No |
| 38. | On-line Information and Database access and/or Retrieval Services | 16.7.2001 | No |
| 39. | Video Tape Production Service | 16.7.2001 | No |
| 40. | Sound Recording Service | 16.7.2001 | No |
| 41. | Broadcasting Service | 16.7.2001 | No |
| 42. | Insurance Auxiliary Services | 16.7.2001 | No |

| S.No. | Service | Date of Imposition | Whether exempted |
|---|---|---|---|
| 43. | Banking and other Financial Services | 16.7.2001 | No |
| 44. | Port Services | 16.7.2001 | No |
| 45. | Authorised Service Station for Servicing of motor car and two wheeled motor vehicle | 16.7.2001 | No |

## Expenditure of banks on VRS

1792. SHRI YADLAPATI VENKAT RAO: Will the Minister of FINANCE be pleased to state:

(a) whether some public sector banks have reported sharp decline in their net profit for the year 2000-2001, due to higher provision for making payments to persons who opted for Voluntary Retirement Scheme;

(b) if so, the total amount Government had to bear in above payments upto 31st March, 2001; and

(c) the amount expected to be paid during the current year for the above purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The Reserve Bank of India (RBI) has reported that out of 27 public sector banks, 13 banks have recorded reduction in their net profit in 2000-2001. RBI has further reported that the gross profit of public sector banks, as a group, was Rs. 13792.96 crore during the year 2000-2001, against Rs. 13066.36 crore during the year 1999-2000, representing an increase of Rs. 726.60 crore. RBI has further reported that the net profit of public sector banks as a group was Rs. 4316.97 crore during the year 2000-2001, against Rs. 5116.18 crore during 1999-2000, representing a decrease by Rs. 799.21 crore.

(b) RBI has reported that as per the provisional data made available to it by the banks and data compiled from their published balance sheets, the amount charged to the profit & loss account by the public sector banks towards VRS expenditure during the year 2000-2001 was Rs. 3062.60 crore.

(c) RBI has reported that the total cost of VRS to the public sector banks is Rs. 10262.94 crore, of which Rs. 7200.34 crore is to be carried over as deferred revenue expenditure to be charged over the next four years.